Supreme Court, U.S.
FILED
JUL 18 1996
CLERK

No. 95-2032

IN THE
Supreme Court of the United States
OCTOBER TERM, 1995

SUNAMERICA CORPORATION and
SUN LIFE INSURANCE COMPANY OF AMERICA,

Petitioners,

v.

SUN LIFE ASSURANCE COMPANY OF CANADA and
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),

Respondents.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Eleventh Circuit

BRIEF FOR THE RESPONDENTS IN OPPOSITION

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July 18, 1996

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QUESTION PRESENTED

Whether the Court of Appeals correctly applied to the facts of this case the well established trademark principle that when likelihood of confusion is clear, the equitable defense of acquiescence cannot bar entry of an injunction to protect the public interest.

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IN THE

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SUNAMERICA CORPORATION and
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v.

SUN LIFE ASSURANCE COMPANY OF CANADA and
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),

Respondents.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Eleventh Circuit

BRIEF FOR THE RESPONDENTS IN OPPOSITION

Respondents Sun Life Assurance Company of Canada and Sun Life Assurance Company of Canada (U.S.)[1] (collectively "Sun Life of Canada") oppose the petition for a writ of

[1] Sun Life Assurance Company of Canada is the parent corporation of Sun Life Assurance Company of Canada (U.S.). Sun Life Assurance Company of Canada (U.S.) has no non-wholly owned subsidiaries. Sun Life Assurance Company of Canada has no parent corporation or non-wholly owned subsidiaries. *See* Sup. Ct. R. 29(6).

certiorari to review the judgment and opinion of the United States Court of Appeals for the Eleventh Circuit in *SunAmerica Corp. v. Sun Life Assurance Co. of Canada*, 77 F.3d 1325, *reh'g en banc denied* (11th Cir. 1996). Pet. App. 1a-44a. Petitioners are referred to herein as "SunAmerica."

COUNTERSTATEMENT OF THE CASE

After a bench trial, the District Court found that Sun Life of Canada had established protectible rights in its SUN LIFE marks prior to SunAmerica's first use of a SUN LIFE mark. Pet. App. 97a. In addition, the Court found that "anecdotal and survey evidence," Pet. App. 97a, established "astounding," Pet. App. 75a, and "undisputed levels of definite confusion . . . even when the litigants use their full company names," Pet. App. 92a, and that this evidence "convincingly shows that consumer confusion . . . is inevitable." Pet. App. 97a. Moreover, the Court determined that SunAmerica had "not shown that the present confusion is the result of [Sun Life of Canada's] actions." Pet. App. 48a. The District Court held that, "in this instance," the showing of inevitable confusion overcame SunAmerica's equitable acquiescence defense, Pet. App. 92a, and it enjoined SunAmerica "from further use of any 'Sun Life' mark." Pet. App. 97a.

On appeal, SunAmerica did not challenge any of the District Court's findings of fact. The Eleventh Circuit determined that "all of SunAmerica's potential challenges to the district court's factfindings [were] waived, without merit, or both," Pet. App. 11a, and that "the district court did not err by reviving, upon a showing of inevitable confusion, Sun Life of Canada's claims that were otherwise estopped by acquiescence." Pet. App. 14a-15a. The Court of Appeals, however, remanded to permit the District Court to issue specific findings regarding whether two "proposed alternatives to a complete injunction would have sufficiently vindicated the

public interest in eliminating marketplace confusion."[2] Pet. App. 21a.

The Court of Appeals left "to the sound discretion of the district court the determination of whether further hearings are needed for this purpose." Pet. App. 21a-22a. SunAmerica has urged the District Court to hold such hearings. *See* Plaintiffs' Brief in Opposition to Defendants' Motion For Leave to File Proposed Findings of Fact and Conclusion of Law Upon Remand (April 9, 1996), at 1-2, 5-6, Opp. App. 2a-3a. The District Court has not yet ruled on remand or determined whether further hearings on the issue of the appropriate remedy are necessary.

REASONS FOR DENYING THE WRIT

Because a final order has not yet issued in this case, the petition for certiorari is premature. Moreover, the Court of Appeals decision does not conflict with any decision of this Court or of any other court of any jurisdiction. The decision below is, in any event, plainly correct. Finally, the sole question raised by the petition is not of such exceptional importance as to justify review by this Court. The petition should therefore be denied.

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[2] The Court of Appeals was "unable to determine" whether the District Court had previously considered these proposals. It held that "[i]f the [district] court did consider and reject them—if it found as a fact that they would not end inevitable public confusion over the marks—our review of the record indicates that such a finding would not have been clearly erroneous," Pet. App. 21a, and, in that case, "the district court's complete injunction against SunAmerica's use of the marks is the only feasible and effective remedy." Pet. App. 22a.

I. BECAUSE A FINAL ORDER HAS NOT YET ISSUED, SUPREME COURT REVIEW IS PREMATURE.

Certiorari jurisdiction is "to be exercised sparingly, and only in cases of peculiar gravity and general importance, or in order to secure uniformity of decision." *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 258 (1916). "[E]xcept in extraordinary cases, the writ is not issued until final decree." *Id.*; *see* Robert L. Stern, et al., *Supreme Court Practice* § 4.18, at 196 (7th ed. 1993). Thus, in explaining a refusal to grant review, the Court in *Hamilton-Brown* stated that the "decree that was sought to be reviewed by certiorari . . . was not a final one, a fact that of itself alone furnished sufficient ground for the denial of the application." *Hamilton-Brown*, 240 U.S. at 258.

Petitioners ask this Court for relief from a decision that renders it "completely enjoined from using [a Sun Life] mark forever." Pet. 13. No such final decree, however, has yet been issued. The Court of Appeals remanded for the purpose of permitting the District Court to issue specific findings on whether two proposals offered by SunAmerica as alternatives to a complete injunction would, either alone or in combination, effectively remedy the inevitable confusion. Pet. App. 21a. These proposals are (1) that the parties conduct mutual, educational advertising campaigns to differentiate their identities and (2) that the parties follow guidelines regarding the use and prominence of geographic modifiers and/or corporate logos. Pet. App. 20a, 21a.

SunAmerica has asserted below that "a further hearing is needed to determine whether . . . [one of these] equitable remed[ies] short of a total injunction against SunAmerica's use of SUN LIFE OF AMERICA marks can feasibly and effectively avoid recreating 'inevitable confusion.'" *See* Plaintiffs' Brief in Opposition to Defendants' Motion For

Leave to File Proposed Findings of Fact and Conclusion of Law Upon Remand (April 9, 1996), at 1-2, Opp. App. 2a. Sun Life of Canada strongly disagrees.[3] Nonetheless, the District Court has not yet ruled on remand or decided whether further hearings will be held. If the district court decides to substitute either of Petitioners' suggested remedies for the original injunction, Petitioners' challenge to the injunction will become moot.

Thus, because a final order on the issue of the appropriate remedy has not yet issued in this case, and a ruling on remand favorable to SunAmerica would obviate the alleged need for Supreme Court review, the petition for certiorari is premature. *See Brotherhood of Locomotive Firemen & Enginemen v. Bangor & Aroostook R.R. Co.*, 389 U.S. 327, 328 (1967) (finding that a case "is not yet ripe for review by this Court" and denying certiorari "because the Court of Appeals remanded the case" for the district court to revisit the imposition of a coercive fine); *Virginia Military Inst. v. United States*, 508 U.S. 946, 946 (1993) (Scalia, J., respecting the denial of the petition) (noting that, because the "Court of Appeals . . . remanded the case to the District Court for determination of an appropriate remedy," the "present petition . . . seeks our intervention before the litigation below has come to final judgment" and denying certiorari because "[w]e generally await final judgment in the lower courts before exercising our certiorari jurisdiction").

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[3] Sun Life of Canada believes that the District Court has already heard, considered and rejected both alternatives and that further hearings are not necessary.

II. THE ELEVENTH CIRCUIT'S DECISION IS NOT IN CONFLICT WITH A DECISION OF ANY OTHER COURT.

Petitioners cite *no* case in any jurisdiction, let alone a decision of a federal court of appeals or state court of last resort, rejecting application of the inevitable confusion principle on which the Eleventh Circuit relied. To the contrary, all the cases Petitioners cite either embraced the principle,[4] or had no need to discuss it at all.[5]

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[4] *See, e.g., Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1564 (11th Cir. 1991); *United States Jaycees v. San Francisco Junior Chamber of Commerce*, 354 F. Supp. 61, 72-73 (N.D Cal. 1972), *aff'd*, 513 F.2d 1226 (9th Cir. 1975); *A.E. Staley Mfg. Co. v. Staley Milling Co.*, 253 F.2d 269, 275, 279 (7th Cir.), *cert. denied*, 357 U.S. 926 (1958); *Menendez v. Holt*, 128 U.S. 514, 523-24 (1888); *McLean v. Fleming*, 96 U.S. 245, 253 (1878).

[5] *See, e.g., N.A.A.C.P. v. N.A.A.C.P. Legal Defense & Educ. Fund, Inc.*, 753 F.2d 131, 139 (D.C. Cir. 1985) (noting that "there is an absence of factors that might counsel our hesitation in applying laches"), *cert. denied*, 472 U.S. 1021 (1985); *University of Pittsburgh v. Champion Products, Inc.*, 686 F.2d 1040, 1047, 1044-45, 1049 (3d Cir.) (stating that "[i]n this case there is no consumer confusion" but noting that "laches is an equitable doctrine addressed to the sound discretion of the district judge" and reversing on other grounds the district court's holding that injunctive relief was barred by laches), *cert. denied*, 459 U.S. 1087 (1982); *Seven-Up Co. v. O-So-Grape Co.*, 283 F.2d 103, 106 (7th Cir. 1960) (no evidence raised by the parties of likely or actual confusion between the marks "Seven-Up (7-Up)" and "Bubble Up"), *cert. denied*, 365 U.S. 869 (1961).

III. THE ELEVENTH CIRCUIT CORRECTLY APPLIED A WELL-ESTABLISHED PRINCIPLE WHICH, CONTRARY TO PETITIONERS' ASSERTION, HAS ITS ORIGIN IN TRADEMARK INFRINGEMENT CASES.

Petitioners inaccurately characterize the inevitable confusion concept as a rogue doctrine recognized in civil infringement suits only by the Eleventh Circuit and for the first time in the Court of Appeals' 1991 decision in *Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551 (11th Cir. 1991). Pet. 4, 14. Dating as far back as the 1878 decision in *McLean v. Fleming*, 96 U.S. 245 (1878), however, this Court has held that when confusion is clear, equitable defenses such as acquiescence must give way. The Court in *McLean* stated the principle as follows:

> "Equity courts will not, in general, refuse an injunction on account of delay in seeking relief, *where the proof of infringement is clear*, even though the delay may be such as to preclude the party from any right to an account for past profits."

96 U.S. at 253 (emphasis added). *See also, e.g., Menendez v. Holt*, 128 U.S. 514, 523-24 (1888).

In addition to the Eleventh Circuit, other courts have also held that acquiescence or laches will not bar the entry of injunctive relief when "inevitable confusion" exists or, using the language of *McLean*, when "the proof of infringement is clear." *See, e.g., A.E. Staley Mfg. Co. v. Staley Milling Co.*, 253 F.2d 269, 275, 279 (7th Cir.) (affirming injunctive relief against an infringing mark used for 26 years where the district court found the mark to be "inevitably and necessarily deceptive and confusing" on the ground that "'a public interest exists that should be protected—a right of the public not to be confronted on all sides with confusion or the likelihood thereof'"), *cert. denied*, 357 U.S. 926 (1958); *American Auto*

Ass'n v. AAA Ins. Agency, Inc., 618 F. Supp. 787, 796 (W.D. Tex. 1985) (stating that "trademark litigation is profoundly affected by considerations of the public interest" and "[t]hus, when the likelihood of confusion is not 'reasonably in doubt,' laches and acquiescence are not available to bar relief"); *United States Jaycees v. San Francisco Junior Chamber of Commerce*, 354 F. Supp. 61, 72 (N.D. Cal. 1972) (imposing injunctive relief and citing this Court's decision in *McLean* for the proposition that the defenses of acquiescence and laches "have not been favored by the courts where injunctive relief has been sought in cases of clear trademark infringement"), *aff'd*, 513 F.2d 1226 (9th Cir. 1975). *Accord* 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31.14[1], at 31-72.1 (3d ed. 1996) ("[A] strong showing of a likelihood of confusion can trump even a proven case of acquiescence by the senior user to the junior user's usage . . . .").

Indeed, Petitioners have themselves described the inevitable confusion doctrine as a "fundamental tenet in any trademark case." In earlier proceedings before the Eleventh Circuit *in this case*, when SunAmerica was defending a district court ruling *in its favor* against a claim of acquiescence asserted by Sun Life of Canada, SunAmerica included a subsection in its brief entitled: "Because the Public Interest is Paramount, Equitable Defenses Cannot Bar an Injunction to Prevent Confusion." Under this heading, SunAmerica accurately described this longstanding principle of trademark law as follows:

> "A fundamental tenet in any trademark case is that 'a third party, the consuming public, is present and its interests are paramount.' *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976). The Supreme Court long ago held that when likelihood of confusion is clear, the equitable defenses of laches and acquiescence cannot

> bar entry of an injunction to protect the public. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916); *Men[en]dez v. Holt*, 128 U.S. 514 (1[88]8); *McLean v. Fleming*, 96 U.S. 245 (1878). As this Court recently stated in *Coach House Restaurant v. Coach and Six Restaurant, Inc.*, 934 F.2d 1[5]51, 1[5]64 (11th Cir. 1991), '[a]lthough petitioner has acquiesced in use of their logo by the registrant, the public interest in preventing confusion around the marketplace is paramount to any inequity caused the registrant.' Thus, even a meritorious claim of laches or acquiescence may affect damages but cannot bar entry of an injunction to protect the public from confusion. *Coach House v. Coach and Six*, 934 F.2d at 1[5]64; *Brittingham v. Jenkins*, 914 F.2d 447, 457 (4th Cir. 1990)."

Opp. App. 6a.

Now that the shoe is on the other foot, Petitioners appear to have forgotten the trademark law truism that the public interest in avoiding confusion is paramount and, therefore, that "even a meritorious claim of laches or acquiescence cannot bar entry of an injunction to protect the public from confusion."

In addition, Petitioners' contention that the inevitable confusion doctrine "was developed . . . as a rule of administrative convenience to be applied in trademark registration proceedings before the TTAB," Pet. 15, is flatly wrong. Many of the civil infringement cases cited above, dating as far back as this Court's 1878 decision in *McLean*, pre-date application of the rule in any trademark registration proceeding before the TTAB. Indeed, the TTAB itself made clear in *Iodent Chemical Co. v. Dart Drug Corp.*, 207 U.S.P.Q. 602 (TTAB 1980), that the inevitable confusion concept originated *in civil infringement actions* and was only

later carried over to registration proceedings before the TTAB, not *vice-versa* as petitioners contend:

> "This is recognition of a long time practice *in civil actions* of holding that the establishment of the equitable defenses of laches, estoppel, and acquiescence will not preclude a judgment in favor of the prior user if the identity of the marks and goods of the parties are such that confusion or mistake in trade is inevitable, *a practice which has carried over in proceedings before the Board arising under the registration provisions of the statute.* [Citing cases.]"

Id. at 606-07 (emphasis added).

IV. THIS CASE PRESENTS NO LEGAL QUESTION OF EXCEPTIONAL IMPORTANCE.

Petitioners maintain that the inevitable confusion doctrine "conflicts with and undermines" the Lanham Act and the 1988 amendment to the Act regarding the applicability of equitable defenses to infringement claims based on registrations that have become incontestible. Pet. 8. Nothing could be further from the truth.

In addition to securing to owners of marks the goodwill associated with their use, the Lanham Act "protect[s] the ability of consumers to distinguish among competing producers." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985); *see* S. Rep. No. 1333, 79th Cong., 2d Sess., at 3, *reprinted in* 1946 U.S. Code Cong. Serv. 1274 (describing the Lanham Act's purpose "to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get"); 134 Cong. Rec. 32055 (1988) (remarks on passage of S. 1883 by the Senate) (statement of Senator Hatch) (noting that the 1988 Trademark

Law Revision Act "will benefit . . . most importantly of all, every consumer in this country").

By trumping equitable defenses that would bar injunctive relief in cases where confusion of the public is clear, the inevitable confusion doctrine furthers this aim. *See Iodent Chem.*, 207 U.S.P.Q. at 607 (explaining that inevitable confusion overcomes equitable defenses "for the reason that the public interest necessitates the elimination or avoidance of situations that could readily give rise to confusion in the marketplace"); *Coach House*, 934 F.2d at 1564 (invoking the inevitable confusion doctrine because "the public interest in preventing confusion around the marketplace is paramount to any inequity caused the registrant"); *see also Staley Mfg. Co.*, 253 F.2d at 279; *American Auto*, 618 F. Supp. at 795-96.

As the District Court here recognized, the products at issue in this case, annuity investments, render protection of the public interest especially important:

> "[T]he Court is acutely aware that annuity investments are often of critical importance to the people who make them, representing as they do the expectations of a secure retirement income derived from the proceeds of one's life savings. Consequently, . . . confus[ion] about the identity of the issuer is far less tolerable than if the same consumer were buying a household cleanser or a restaurant meal."

Pet. App. 91a (footnote omitted).

The inevitable confusion doctrine, moreover, in no way undercuts the 1988 amendments to the Lanham Act. Those amendments, *inter alia*, removed any uncertainty as to whether "equitable principles, including laches, estoppel, and acquiescence, are applicable" to trademark infringement cases

involving *registrations that have become incontestible.*[6] Lanham Act § 33(b)(8), 15 U.S.C. § 1115(b)(8) (1994), Pet. App. 141a. By clarifying that these defenses may be asserted in proceedings involving incontestible registrations, as they uniformly had been in other trademark infringement actions for decades, Congress did nothing more than approve the use of equitable defenses as they then existed at common law. As the decisions cited *supra* pages 7-9 made clear, that law included the principle that when the likelihood of confusion is clear, the equitable defenses of acquiescence and laches cannot bar entry of an injunction to protect the public.

Indeed, the applicability of *any* equitable defense, including acquiescence, is a matter of judicial discretion. *See, e.g., Penn Mutual Life Ins. Co. v. Austin*, 168 U.S. 685, 697 (1898) (noting that "the recognized doctrine of courts of equity to withhold relief from those who have delayed the assertion of their claims for an unreasonable length of time may be applied in the discretion of the court") (internal quotation marks omitted). By expressly allowing the equitable defense of acquiescence, Congress was by no means mandating its application in every case, no matter the circumstances, or eviscerating judicial discretion to determine its appropriateness on a case by case basis.

Congress' language concerning the use of equitable defenses in the 1988 amendment and its legislative history make this clear. *See* Lanham Act § 33(b)(8), *as amended*, 15 U.S.C. § 1115(b)(8), Pet. App. 141a ("[E]quitable principles, including laches, estoppel, and acquiescence, *are applicable.*") (emphasis added); 134 Cong. Rec. 31851 (1988) (remarks on passage of S. 1883 by the House of Representatives) (section-by-section analysis accompanying statement of Cong.

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[6] Petitioners have no registrations at all, let alone an *incontestible* registration, for any "Sun Life" mark.

Kastenmeier) (explaining that the 1988 amendment to section 33(b) "provides that equitable principles *may* be applied in suits involving incontestable registrations") (emphasis added). This language conforms with the permissive language concerning equitable defenses used elsewhere in the Act. *See* Lanham Act § 19, 15 U.S.C. § 1069 (1994), Pet. App. 128a ("In all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, *where applicable may be considered and applied.*") (emphasis added); Lanham Act § 33(a), 15 U.S.C. § 1115(a) (1994), Pet. App. 139a (stating that a registration "shall not preclude another person from proving any . . . equitable defense").

Moreover, the fact that the inevitable confusion concept can be described as a judicially-invented principle does not mean that it has no basis in the Act or that it constitutes, as Petitioners contend, "impermissible judicial legislation." Pet. 8. Many well-established trademark principles are judge-made doctrines which, although not included in the language of the Lanham Act, have achieved undisputed recognition through application of the Act and the principles of common law on which it is based. Examples include: the concept of "functionality"; the strength assigned to marks depending upon their placement along the "descriptive," "suggestive," "arbitrary" or "fanciful" continuum; and the principle that color, smell, sound and configuration may serve as trademarks.

Petitioners assert that as a result of the decision below, "[e]very time a defense of laches or acquiescence is asserted, it will be met by a claim of 'inevitable confusion.'" Pet. 19. This is nonsense. It is the rare case that presents the "astounding" levels of actual confusion that the district judge found here. Specifically, the District Court found that the level of confusion reached 69 percent, Pet. App. 73a, an extraordinary fact that was undisputed on appeal. Thus, SunAmerica's *in terrorem* argument that the inevitable confusion doctrine renders no trademark or trade name safe

from a belated challenge by a competitor attempting to misappropriate a junior user's valuable good will, Pet. 19-20, is groundless.

Similarly, SunAmerica's claim that the inevitable confusion doctrine "will encourage delay in enforcing trademark rights" and "will provide an incentive for senior users to take steps to *create* 'inevitable confusion,'" Pet. 19, is without any basis whatsoever and reflects an overly cynical view of business behavior. It rings especially hollow here, moreover, for it was SunAmerica who sued Sun Life of Canada in 1989, not *vice-versa*, and confusion did not become a problem until SunAmerica entered a Sun Life of Canada channel of distribution in the late 1980s. Pet. App. 36a-37a, 67a. In fact, as noted above, the District Court determined that SunAmerica had "not shown that the present confusion is the result of [Sun Life of Canada's] actions." Pet. App. 48a.

Finally, the presence of inevitable confusion does not mean that the junior user automatically will be deprived of all uses of the infringing mark. The Eleventh Circuit's statement of the law in this case makes clear that an injunction will issue only if other "remedial alternatives available to cure marketplace confusion," such as geographic modifiers or educational campaigns, would not be "feasible and effective." Pet. App. 18a.

In short, the Court of Appeals' decision presents no question of federal law that warrants this Court's attention.

CONCLUSION

For the reasons set forth herein, the petition for writ of certiorari should be denied.

Respectfully submitted,

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APPENDIX

CIVIL ACTION FILE NO. 1:89-cv-1315-JTC

IN THE
UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SUNAMERICA CORPORATION
(since merged into SUNAMERIA INC.), and
SUN LIFE INSURANCE COMPANY OF AMERICA
(now known as SUNAMERICA LIFE
INSURANCE COMPANY),

Plaintiffs,

v.

SUN LIFE ASSURANCE COMPANY OF CANADA,
and SUN LIFE ASSURANCE COMPANY
OF CANADA (U.S.),

Defendants.

PLAINTIFFS' BRIEF IN OPPOSITION TO DEFENDANTS' MOTION FOR LEAVE TO FILE PROPOSED FINDINGS OF FACT AND CONCLUSION OF LAW UPON REMAND

Defendants' (collectively "Sun Life of Canada") Motion for Leave to File Proposed Findings of Fact and Conclusion of Law Upon Remand of this case from the Eleventh Circuit Court of Appeals ("Sun Life of Canada Motion") should be denied. First, it is premature, in that Plaintiffs (collectively "SunAmerica") have filed with the Eleventh Circuit a

Suggestion of Rehearing En Banc, which has stayed the Eleventh Circuit's issuance of the mandate in the case.

Second, if the case is remanded without further guidance from the Eleventh Circuit en banc, a further hearing is needed to determine whether the Eleventh Circuit's stated preference for an equitable remedy short of a total injunction against SunAmerica's use of SUN LIFE OF AMERICA marks can feasibly and effectively avoid recreating "inevitable confusion" in this case.[1] Such a hearing is particularly necessary in view of the substantially changed factual circumstances resulting from the July 1995 change in the name of Sun Life Insurance Company of America to SunAmerica Life Insurance Company ("SunAmerica Life"). This hearing should be held before the parties file additional findings of fact and conclusions of law.

ARGUMENT AND CITATION OF AUTHORITIES

* * *

SunAmerica suggests that further hearings are needed for the Court to determine this issue, particularly in view of the substantial change in factual circumstances occurring since the Court's August 24, 1994 and June 8, 1995 Orders which were the subject of the Eleventh Circuit appeal. In July 1995, SunAmerica Life changed its name from Sun Life Insurance Company of America to SunAmerica Life Insurance Company, to comply with this Court's injunction pending appeal. (*See* July 12 and July 24, 1995 Compliance Reports filed by SunAmerica). This name change was approved by the insurance departments of the 49 jurisdictions in which

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[1] In a passage not cited in Sun Life of Canada's Motion, the Eleventh Circuit stated that "[w]hen feasible and effective, the court should fashion a remedy less harsh than the strong medicine of a total injunction." *SunAmerica Corp. v. Sun Life Assurance Company of Canada*, ____ F.3d 1350, 1363 (11th Cir. 1996).

SunAmerica Life does business. SunAmerica's implementation of this name change has substantially reduced the levels of public confusion previously experienced between the parties and their products and services.

SunAmerica has no present desire to change the corporate name of SunAmerica Life back to Sun Life Insurance Company of America. However, as the Eleventh Circuit recognized, SunAmerica can make other commercial uses of its valuable SUN LIFE OF AMERICA mark. ___ F.3d at 1358. SunAmerica is considering ways in which it would propose to make use of the SUN LIFE OF AMERICA mark, in combination with mutual restrictions on the parties' use of SUN LIFE marks (such as requirements for use of geographic modifiers, corporate logos, and/or other distinguishing features) and/or mutual educational or advertising campaigns, in a way that would feasibly and effectively avoid recreating levels of public confusion such as those that this Court previously found to be "inevitable," while preserving SunAmerica's legitimate rights to make some use of the SUN LIFE OF AMERICA mark. *See, e.g., Chase Federal Savings & Loan Assoc. v. Chase Manhattan Financial Services, Inc.*, 681 F.Supp. 771, 778 (S.D. Fla. 1987) (court crafted equitable relief in which, after 50 years of acquiescence, each party was required to use its name coupled with distinctive logos and other restrictions). Such proposals are properly considered by the Court in a hearing, which can be scheduled if and when this case is remanded to this Court.

* * *

This 18th day of April, 1996.

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IN THE
UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

CASE NO. 91-8860

SUNAMERICA CORPORATION and
SUN LIFE INSURANCE COMPANY OF AMERICA

Plaintiffs-Appellees,

v.

SUN LIFE ASSURANCE COMPANY OF CANADA
and SUN LIFE ASSURANCE COMPANY
OF CANADA (U.S.)

Defendants-Appellants

APPEAL FROM
THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

BRIEF OF PLAINTIFFS-APPELLEES

[February 4, 1992]

* * *

II. THE DISTRICT COURT CORRECTLY REJECTED DEFENDANTS' ACQUIESCENCE AND LACHES DEFENSES

A. "Abuse of Discretion" is the Correct Standard of Review

* * *

B. Because the Public Interest is Paramount, Equitable Defenses Cannot Bar an Injunction to Prevent Confusion

A fundamental tenet in any trademark case is that "a third party, the consuming public, is present and its interests are paramount." *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976). The Supreme Court long ago held that when likelihood of confusion is clear, the equitable defenses of laches and acquiescence cannot bar entry of an injunction to protect the public. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916); *Mendez v. Holt*, 128 U.S. 514 (1918); *McLean v. Fleming*, 96 U.S. 245 (1878). As this Court recently stated in *Coach House Restaurant v. Coach and Six Restaurant, Inc.*, 934 F.2d 1151, 1164 (11th Cir. 1991), "[a]lthough petitioner has acquiesced in use of their logo by the registrant, the public interest in preventing confusion around the marketplace is paramount to any inequity caused the registrant." Thus, even a meritorious claim of laches or acquiescence may affect damages but cannot bar entry of an injunction to protect the public from confusion. *Coach House v. Coach and Six*, 934 F.2d at 1164; *Brittingham v. Jenkins*, 914 F.2d 447, 457 (4th Cir. 1990).

* * *

Respectfully submitted,

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